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# Sales Tax

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# 1

{ Exclusions }

# 2

## 1. Purchases by Pari-mutuel Horse Racetracks

This exclusion allows racetracks licensed by the Racing Commission to make purchases of tangible personal property, services, and leases and rentals without the payment of sales or use tax. The state imposes certain license fees, commissions, and taxes on racetracks and horse racing. The purpose of this exclusion is to remove the liability for sales tax in lieu of the special taxes imposed on licensed racetracks.

### Legal Citation

R.S. 4:168

### Origin

Acts 1968, No. 554

### Effective Date

July 19, 1968

### Beneficiaries

Horse-racing tracks licensed by the Louisiana State Racing Commission

### Administration

The purpose of this exclusion is achieved in a fiscally effective manner.

### Estimated Fiscal Effect

The estimated fiscal effect of this exclusion is included in the Five-Year Revenue Loss chart in the row labeled other exemptions.

## 2. Purchases by Off-track Wagering Facilities

This exclusion allows off-track wagering facilities licensed by the Racing Commission to make purchases of tangible personal property, services, leases, and rentals without the payment of sales or use tax. The state imposes certain license fees, commissions, and taxes on the racetracks and horse racing. The purpose of this exclusion is to remove the liability for sales tax in lieu of the special taxes imposed on the licensed off-track wagering facilities and to extend the exclusion enjoyed by pari-mutuel racetracks to these off-track wagering facilities.

### Legal Citation

R.S. 4:227

### Origin

Acts 1990, No. 1013

### Effective Date

July 26, 1990

### Beneficiaries

Off-track wagering facilities licensed by the Louisiana State Racing Commission

### Administration

The purpose of this exclusion is achieved in a fiscally effective manner.

### Estimated Fiscal Effect

The estimated fiscal effect of this exclusion is included in the Five-Year Revenue Loss chart in the row labeled other exemptions.

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# Sales Tax

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# 7

## { Exclusions }

### 7. Manufacturers Rebates on New Motor Vehicles

This exclusion allows the taxable amount of a new vehicle to be reduced by the amount of a manufacturer's rebate allocated directly to the consumer. The purpose of this exclusion is to relieve the new-car buyer of the tax on the rebate, which represent reductions in the sales price.

#### Legal Citations

R.S. 47:301(3)(e), R.S. 47:301(13)(b)

#### Origin

Acts 1991, No. 350

#### Effective Date

September 6, 1991

#### Beneficiaries

The general public purchasing new motor vehicles where manufacturers' discounts or rebates are transferred directly to the consumer.

#### Administration

The purpose of this exclusion is achieved in a fiscally effective manner.

Estimated Fiscal Effect	
FYE 6-16	FYE 6-17
\$16,496,000	\$16,826,000

### 8. Manufacturers Rebates Paid Directly to a Dealer

This exclusion allows any payments made directly between the manufacturer and a third-party dealer (not the manufacturer's customer) for the manufacturer's product for the specific purpose of reducing the sales price and which actually reduces the price as stated to the consumer for the tangible personal property to be free of sales tax. The actual sales price to be paid directly by the consumer will be subject to sales tax. Manufacturers coupons used by the consumer as part payment of the "sales price" at the time of purchase and redeemed by the dealer will remain taxable. This exclusion excludes this payment from the definition of "cost price" and "sales price." The purpose of this exclusion is to clearly identify the taxable sales price being paid for tangible personal property by the consumer at the time the property is purchased.

#### Legal Citations

R.S. 47:301(3)(g), R.S. 47:301(13)(e)

#### Origin

Acts 1996, No. 33

#### Effective Date

July 2, 1996

#### Beneficiaries

Dealers in cigarettes and their consumers of cigarettes.

#### Administration

It is not known if the purpose of this exemption is being achieved in a fiscally effective manner. This exclusion is only known to apply to payments made by cigarette manufacturers who make payments directly to the cigarette retailer. Other industries may have similar transactions.

#### Estimated Fiscal Effect

The estimated fiscal effect of this exclusion is included in the Five-Year Revenue Loss chart in the row labeled other exemptions.

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# Sales Tax

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# 8

## { Exclusions }

### 7. Manufacturers Rebates on New Motor Vehicles

This exclusion allows the taxable amount of a new vehicle to be reduced by the amount of a manufacturer's rebate allocated directly to the consumer. The purpose of this exclusion is to relieve the new-car buyer of the tax on the rebate, which represent reductions in the sales price.

#### Legal Citations

R.S. 47:301(3)(e), R.S. 47:301(13)(b)

#### Origin

Acts 1991, No. 350

#### Effective Date

September 6, 1991

#### Beneficiaries

The general public purchasing new motor vehicles where manufacturers' discounts or rebates are transferred directly to the consumer.

#### Administration

The purpose of this exclusion is achieved in a fiscally effective manner.

Estimated Fiscal Effect	
FYE 6-16	FYE 6-17
\$16,496,000	\$16,826,000

### 8. Manufacturers Rebates Paid Directly to a Dealer

This exclusion allows any payments made directly between the manufacturer and a third-party dealer (not the manufacturer's customer) for the manufacturer's product for the specific purpose of reducing the sales price and which actually reduces the price as stated to the consumer for the tangible personal property to be free of sales tax. The actual sales price to be paid directly by the consumer will be subject to sales tax. Manufacturers coupons used by the consumer as part payment of the "sales price" at the time of purchase and redeemed by the dealer will remain taxable. This exclusion excludes this payment from the definition of "cost price" and "sales price." The purpose of this exclusion is to clearly identify the taxable sales price being paid for tangible personal property by the consumer at the time the property is purchased.

#### Legal Citations

R.S. 47:301(3)(g), R.S. 47:301(13)(e)

#### Origin

Acts 1996, No. 33

#### Effective Date

July 2, 1996

#### Beneficiaries

Dealers in cigarettes and their consumers of cigarettes.

#### Administration

It is not known if the purpose of this exemption is being achieved in a fiscally effective manner. This exclusion is only known to apply to payments made by cigarette manufacturers who make payments directly to the cigarette retailer. Other industries may have similar transactions.

#### Estimated Fiscal Effect

The estimated fiscal effect of this exclusion is included in the Five-Year Revenue Loss chart in the row labeled other exemptions.

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# Sales Tax

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# 14

{ Exclusions }

# 15

## 14. Room Rentals at Camp and Retreat Facilities

This provision excludes from sales tax certain room rentals at camp and retreat facilities owned and operated by nonprofit organizations exempt from federal income tax under Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(3) of the Internal Revenue Code. The qualifying room rentals must be associated with the attendance of a function devoted to the nonprofit organization's purposes. Room rentals to persons merely purchasing lodging at the facility do not qualify for the exclusion.

Qualifying nonprofit organizations have a similar exclusion for places of amusement under R.S. 47:301(14)(b)(iv).

### Legal Citation

R.S. 47:301(6)(b)

### Origin

Acts 1998, No. 40, amended by Acts 2005, No. 377

### Effective Date

August 15, 1998

### Related Exclusion

R.S. 47:301(14)(b)(iv)

### Beneficiaries

Qualifying camp and retreat facilities.

### Administration

The purpose of this exclusion is achieved in a fiscally effective manner.

### Estimated Fiscal Effect

The estimated fiscal effect of this exclusion is included in the Five-Year Revenue Loss chart in the row labeled other exemptions.

## 15. Room Rentals at Certain Homeless Shelters

This provision removes certain homeless shelters from the definition of hotel, thereby creating an exclusion from state and local sales tax on lodging charges at these facilities. Qualifying facilities must be operated by a nonprofit organization exempt under Section 501(C)(3) of the Internal Revenue Code and devoted exclusively to temporary housing of homeless transient persons, for periods no longer than 30 days duration. Lodging charges can be no greater than \$20.00 per day.

### Legal Citation

R.S. 47:301(6)(c)

### Origin

Acts 2009, No. 456

### Effective Date

July 1, 2009

### Beneficiaries

Individual taxpayers who are homeless and transient.

### Administration

Nearly all state tax on lodging is dedicated back to the local area where the tax is collected. Thus, any negative effect on state revenues as a result of this act is essentially a reduction in revenue statutorily dedicated back to local entities.

Estimated Fiscal Effect	
FYE 6-16	FYE 6-17
\$0	\$0

# Sales Tax

# 26

## { Exclusions }

**26. Purchases by State and Local Governments**

This exclusion allows all boards, agencies, or commissions of the state of Louisiana or any local authority within Louisiana to purchase or rent/lease tangible personal property, or receive services without being subject to general sales tax by excluding Louisiana state and local governments from the definition of person. The purpose of this exclusion is to remove governmental authorities from taxation.

**Legal Citation**  
R.S. 47:301(8)(c)

**Origin**  
Acts 1991, No. 1029; Amended by Acts 2007, No. 162

**Effective Date**  
September 1, 1991

**Beneficiaries**  
All Louisiana state and local governmental authorities

**Administration**  
The purpose of this exclusion is achieved in a fiscally effective manner.

Estimated Fiscal Effect	
FYE 6-16	FYE 6-17
\$192,850,000	\$196,707,000

*Note:* This amount includes the total revenue loss for purchases by state and local government and sales to the U.S. Government. (See number 36, sales tax section).

**27. Purchases of Certain Bibles, Song-books, or Literature by Certain Churches or Synagogues for Religious Instructional Classes**

This exclusion removes “churches” and “synagogues” granted exemption by the United States Internal Revenue Service under Section 501(c)(3) of the United States Internal Revenue Code from the definition of “dealer” when they purchase bibles, songbooks, or literature used for religious instruction classes. The purpose of this exclusion is to allow financial relief to qualifying churches and synagogues.

**Legal Citation**  
R.S. 47:301(8)(d)

**Origin**  
Acts 1996, No. 28

**Effective Date**  
July 1, 1996

**Beneficiaries**  
Qualifying churches and synagogues

**Administration**  
The purpose of this exclusion is achieved in a fiscally effective manner.

Estimated Fiscal Effect	
FYE 6-16	FYE 6-17
Prohibited	Prohibited

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# Sales Tax

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{ Exclusions }

# 31

## 30. Purchases of Tangible Personal Property for Lease or Rental

This exclusion allows rental companies to purchase tangible personal property without paying the general sales tax if the property is to be used solely as rental property. The exclusion's effective dates varied based on the type of property being purchased. The purpose of this exclusion is to give dealers financial relief and to make them more competitive with dealers in neighboring states that exempt the same transactions.

### Legal Citations

R.S. 47:301(10)(a)(iii), R.S. 47:301(18)(a)(iii)

### Origin

Acts 1990, No. 140 and No. 1030

### Effective Date

July 1, 1990

### Duplicate Provision

R.S. 47:305.36 (limited to motor vehicles, trailers, and semi-trailers)

### Beneficiaries

Louisiana rental dealers.

### Administration

The purpose of this exclusion is achieved in a fiscally effective manner.

Estimated Fiscal Effect	
FYE 6-16	FYE 6-17
\$12,252,000	\$12,497,000

## 31. Sales Through Coin-operated Vending Machines

This exclusion allows sales of tangible personal property through vending machines to be free of sales tax. This exclusion defines the sale to the dealer for resale in a vending machine to be a retail sale. The vending machine company is subject to tax on the purchase price of the property. No additional sales tax is due on the subsequent sale through the vending machine. The purpose of this exclusion is to define the taxable point of sale and to simplify the collection and reporting of the tax.

### Legal Citation

R.S. 47:301(10)(b)(i)

### Origin

Acts 1978, No. 756

### Effective Date

September 8, 1978

### Beneficiaries

Dealers who sell their product through vending machines

### Administration

The purpose of this exclusion is achieved in a fiscally effective manner.

### Estimated Fiscal Effect

We are unable to estimate the fiscal effect; there is no reporting requirement for the data.

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# Sales Tax

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# 36

{ Exclusions }

## 36. Sales to the United States Government and its Agencies

This exclusion allows sales made directly to the government of the United States or its agencies to be excluded from tax. The Constitution of the United States forbids the same taxation. This exclusion also applies to those companies with an agency status, where title to the tangible personal property purchased transfers immediately to the government. The purpose of this exclusion is to meet the requirements of the Constitution of the United States.

### Legal Citation

R.S. 47:301(10)(g)

### Origin

Acts 1989, No. 833

### Effective Date

September 3, 1989

### Beneficiaries

The beneficiaries of this exclusion are the United States Government and their agents.

### Administration

The purpose of this exclusion is achieved in a fiscally effective manner.

### Estimated Fiscal Effect

See number 26, Sales Tax Section

## 37. Sales of Food Items by Youth Organizations

This exclusion allows youth organizations chartered by Congress, such as the Boy Scouts and Girl Scouts, to sell food free of sales tax. The purpose of this exclusion was to remove these sales from taxation.

### Legal Citation

R.S. 47:301(10)(h)

### Origin

Acts 1989 2<sup>nd</sup> Ex. Sess., No. 10

### Effective Date

September 8, 1989

### Duplicate Provision

R.S. 47:305.14

### Beneficiaries

Qualifying youth groups

### Administration

The purpose of this exclusion is achieved in a fiscally effective manner.

### Estimated Fiscal Effective

The estimated fiscal effect of this exclusion is included in the Five-Year Revenue Loss chart in the row labeled other exemptions.

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# Sales Tax

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# 44

{ Exclusions }

## 44. Sales of Telephone Directories by Advertising Companies

This exclusion allows advertising companies that are not affiliated with telephone service providers to transfer title or possession of telephone directories free from the state sales or use tax if the telephone directories will be distributed free of charge to the recipients.

### Legal Citation

R.S. 47:301(10)(t)

### Origin

Acts 2002, No. 58

### Effective Date

June 25, 2002

### Beneficiaries

Advertising companies distributing telephone directories

### Administration

The purpose of this exclusion is achieved in a fiscally effective manner.

### Estimated Fiscal Effective

The estimated fiscal effect of this exclusion is included in the Five-Year Revenue Loss chart in the row labeled other exemptions.

## 45. Sales of Cellular Telephones and Electronic Accessories

This exclusion from state and local sales and use tax applies to the withdrawal, use, distribution, consumption, storage, donation, or disposition of cellular, PCS, or wireless telephones when provided in conjunction with the sale of a cellular service contract. The term "sales price" means and includes the greater of the amount of money actually received by the dealer from the purchaser for each such telephone, or 25 percent of the cost of the telephone to the dealer, but does not include any amount received by the dealer from the purchaser for providing mobile telecommunications services or any commissions, fees, rebates, or other amounts received by the dealer from any source other than the purchaser as a result of or in connection with the sale of the telephone.

### Legal Citation

R.S. 47:301(10)(v), R.S. 47:301(13)(g) and (h), R.S. 47:301(18)(i)

### Origin

Acts 2002, No. 85; Amended by Acts 2007, No. 358

### Effective Date

June 28, 2002

### Beneficiaries

Cellular, PCS, or wireless telephone service providers

### Administration

The purpose of this exclusion is achieved in a fiscally effective manner.

### Estimated Fiscal Effect

The estimated fiscal effect of this exclusion is included in the Five-Year Revenue Loss chart in the row labeled other exemptions.

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# Sales Tax

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{ Exclusions }

# 47

## 46. Purchases of Fuel or Gas by Residential Consumers

This exclusion allows the tax-free purchase of any fuel or gas, including butane and propane, by the consumer for residential use. The purpose of this exclusion is to provide financial assistance to consumers.

### Legal Citation

R.S. 47:301(10)(x)

### Origin

Acts 2004, 1<sup>st</sup> Extraordinary Session, No. 8

### Effective Date

July 1, 2004

### Beneficiaries

Residential consumers

### Administration

The purpose of this exclusion is achieved in a fiscally effective manner.

### Estimated Fiscal Effect

See number 189, Sales Tax Section

## 47. Alternate Substance Used as a Fuel

This provision allows sales tax exclusions from the definitions of "sale at retail" and "use" for alternative substances used as fuels by certain manufacturers. Alternative substances are defined as any substance other than oil and natural gas and any product of oil or natural gas, specifically including petroleum coke, landfill gas, reclaimed or waste oil, unblended biodiesel, and tire-derived fuel, and specifically excluding coal, lignite, refinery gas, nuclear fuel, and electricity. Manufacturers who are eligible to claim these exclusions are those who are assigned by the Louisiana Workforce Commission codes within the North American Industrial Classification System (NAICS) in the agricultural, forestry, fishing, or hunting sector 11 or manufacturing sectors 31 to 33, as they existed in 2002.

### Legal Citation

R.S. 47:301(10)(z), R.S. 47:301(18)(l)

### Origin

Acts 2005, No. 345

### Effective Date

July 1, 2006

### Sunset Date

June 30, 2015

### Beneficiaries

Manufacturers that use an alternate substance as fuel

### Administration

The purpose of this exclusion is achieved in a fiscally effective manner.

### Estimated Fiscal Effective

\$0, exclusion sunsetted.

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# Sales Tax

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# 52

{ Exclusions }

# 53

## 52. Purchases of Storm Shutter Devices

This provision allows for the purchase of storm shutter devices, defined as materials and products manufactured, rated, and marketed specifically for the purpose of preventing window damage from storms, without any sales or use tax.

### Legal Citation

R.S. 47:301(10)(ee), R.S. 47:301(18)(o)

### Origin

Acts 2007, No. 462

### Effective Date

July 1, 2007

### Beneficiaries

Purchasers of storm shutter devices.

### Administration

The purpose of this exclusion is achieved in a fiscally responsible manner.

### Estimated Fiscal Effective

The estimated fiscal effect of this exclusion is included in the Five-Year Revenue Loss chart in the row labeled other exemptions.

## 53. Sales of Tangible Personal Property by the Louisiana Military Department

This provision creates an exclusion for the sales of tangible personal property by the Louisiana Military Department which occur on an installation or other property owned or operated by the Military Department.

### Legal Citation

R.S. 47:301(10)(ff)

### Origin

Acts 2009, No. 443

### Effective Date

July 1, 2009

### Beneficiaries

Taxpayers who purchase tangible personal property from the Louisiana Military Department.

### Administration

The purpose of this exemption is achieved in a fiscally effective manner.

### Estimated Fiscal Effective

The estimated fiscal effect of this exclusion is included in the Five-Year Revenue Loss chart in the row labeled other exemptions.

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# Sales Tax

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# 56

## { Exclusions }

### 56. Articles Traded in on Tangible Personal Property

This exclusion allows credits for trade-ins of like property to be free of general sales tax. The trade-in credits are excluded from the definition of sales price. The purpose of this exclusion is to effect a reduction in the taxable sales price for consumers.

#### Legal Citation

R.S. 47:301(13)(a)

#### Origin

Acts 1989, 2<sup>nd</sup> Ex. Sess., No. 14

#### Effective Date

August 1, 1989

#### Beneficiaries

Any persons or businesses that purchase tangible personal property utilizing trade-ins.

#### Administration

The purpose of this exclusion is achieved in a fiscally effective manner.

#### Estimated Fiscal Effective

The estimated fiscal effect of this exclusion is included in the Five-Year Revenue Loss chart in the row labeled other exemptions.

### 57. First \$50,000 of New Farm Equipment Used in Poultry Production

This exclusion allows farmers engaged in poultry production relief from the general sales tax on the first \$50,000 of equipment purchased for use in poultry production. The purpose of this exclusion is to extend to poultry farmers similar tax relief extended to other farmers under R.S. 47:305.25 [See number 11, Sales Tax Section].

#### Legal Citation

R.S. 47:301(13)(c)

#### Origin

Acts 1991, No. 388

#### Effective Date

July 8, 1991

#### Beneficiaries

Poultry farmers.

#### Administration

The purpose of this exclusion is achieved in a fiscally effective manner.

#### Estimated Fiscal Effect

See number 11, Sales Tax Section.

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# Sales Tax

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{ Exclusions }

# 61

## 60. Admissions to Museums

This exclusion allows tax-free admissions to museums by defining a place of amusement to not include museums. The purpose of this exclusion is to provide financial assistance to museums.

### Legal Citation

R.S. 47:301(14)(b)(ii)

### Origin

Acts 1989, No. 796; amended by Acts 1991, No. 172

### Effective Date

September 3, 1989

### Beneficiaries

Museums, which include planetariums, aquariums, and natural history and art museums

### Administration

The purpose of this exclusion is achieved in a fiscally effective manner.

### Estimated Fiscal Effective

The estimated fiscal effect of this exclusion is included in the Five-Year Revenue Loss chart in the row labeled other exemptions.

## 61. Admission to Places of Amusement at Camp and Retreat Facilities

This provision excludes from the tax certain room rentals at camp and retreat facilities owned and operated by nonprofit organizations exempt from federal income tax under Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(3) of the Internal Revenue Code. The qualifying room rentals must be associated with the attendance of a function devoted to the nonprofit organization's purposes. Room rentals to persons merely purchasing lodging at the facility do not qualify for the exclusion.

Qualifying nonprofit organizations have a similar exclusion for places of amusement under R.S. 47:301(14)(b)(iv).

### Legal Citation

R.S. 47:301(14)(b)(iv)

### Origin

Acts 1998, No. 40; Amended by Acts 2005, No. 377

### Effective Date

August 15, 1998

### Related Exclusion

R.S. 47:301(6)(b)

### Beneficiaries

Qualifying camp and retreat facilities

### Administration

The purpose of this exclusion is achieved in a fiscally effective manner.

### Estimated Fiscal Effect

The estimated fiscal effect of this exclusion is included in the Five-Year Revenue Loss chart in the row labeled other exemptions.

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# Sales Tax

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# 64

{ Exclusions }

## 64. Interstate Telecommunications Services Purchased by Defined Call Centers

This exemption allows defined call centers to purchase interstate telecommunication services free from the general sales tax for the period April 1, 2001, through June 30, 2003. Effective July 1, 2003 call centers will be subject to the telecommunications tax for interstate communication services, with a limitation of \$25,000 per year for "direct pay" holders. This exemption will not apply to call centers purchasing mobile telecommunication services.

The purpose of this exclusion is to prohibit the taxation of interstate telecommunication services when purchased by a defined call center.

### Legal Citation

R.S. 47:301.1(D)

### Origin

Acts 2000, No. 22; amended by Acts 2001, No. 1175

### Effective Date

April 1, 2001

### Beneficiaries

Defined Call Centers.

### Administration

The purpose of this exclusion is achieved in a fiscally effective manner.

### Estimated Fiscal Effect

The estimated fiscal effect of this exclusion is included in the Five-Year Revenue Loss chart in the row labeled other exemptions.

## 65. Telecommunication Services Through Coin-operated Telephones

This exclusion allows communication through coin-operated telephones to be excluded from the telecommunication tax under general sales tax. The charges for the use of coin-operated telephones are excluded from the definition of telecommunication services. The telecommunication tax is only assessed at a general sales tax rate of three percent. The purpose of this exclusion is to prohibit the taxation of coin-operated telephone calls.

### Legal Citation

R.S. 47:301.1(B)(2)(d)

### Origin

Acts 1990, No. 388

### Effective Date

August 1, 1990

### Beneficiaries

People who use coin-operated telephones

### Administration

The purpose of this exclusion is achieved in a fiscally effective manner.

### Estimated Fiscal Effect

The estimated fiscal effect of this exclusion is included in the Five-Year Revenue Loss chart in the row labeled other exemptions.

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# Sales Tax

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{ Exclusions }

# 65

## 64. Interstate Telecommunications Services Purchased by Defined Call Centers

This exemption allows defined call centers to purchase interstate telecommunication services free from the general sales tax for the period April 1, 2001, through June 30, 2003. Effective July 1, 2003 call centers will be subject to the telecommunications tax for interstate communication services, with a limitation of \$25,000 per year for "direct pay" holders. This exemption will not apply to call centers purchasing mobile telecommunication services.

The purpose of this exclusion is to prohibit the taxation of interstate telecommunication services when purchased by a defined call center.

### Legal Citation

R.S. 47:301.1(D)

### Origin

Acts 2000, No. 22; amended by Acts 2001, No. 1175

### Effective Date

April 1, 2001

### Beneficiaries

Defined Call Centers.

### Administration

The purpose of this exclusion is achieved in a fiscally effective manner.

### Estimated Fiscal Effect

The estimated fiscal effect of this exclusion is included in the Five-Year Revenue Loss chart in the row labeled other exemptions.

## 65. Telecommunication Services Through Coin-operated Telephones

This exclusion allows communication through coin-operated telephones to be excluded from the telecommunication tax under general sales tax. The charges for the use of coin-operated telephones are excluded from the definition of telecommunication services. The telecommunication tax is only assessed at a general sales tax rate of three percent. The purpose of this exclusion is to prohibit the taxation of coin-operated telephone calls.

### Legal Citation

R.S. 47:301.1(B)(2)(d)

### Origin

Acts 1990, No. 388

### Effective Date

August 1, 1990

### Beneficiaries

People who use coin-operated telephones

### Administration

The purpose of this exclusion is achieved in a fiscally effective manner.

### Estimated Fiscal Effect

The estimated fiscal effect of this exclusion is included in the Five-Year Revenue Loss chart in the row labeled other exemptions.

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# Sales Tax

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{ Exclusions }

# 71

## 70. Pharmaceuticals Administered to Livestock for Agricultural Purposes

This exclusion allows pharmaceuticals to be sold or purchased free from sales tax when administered to livestock that are used for agricultural purposes. Pharmaceuticals must be registered with the Louisiana Department of Agriculture and Forestry to qualify. This exclusion duplicates provisions of other exclusions and exemptions.

### Legal Citation

R.S. 47:301(16)(f)

### Origin

Acts 2000, No. 33; Amended by Acts 2006, No. 41

### Effective Date

July 1, 2000

### Beneficiaries

Livestock farmers

### Administration

The purpose of this exclusion is achieved in a fiscally effective manner.

### Estimated Fiscal Effect

The estimated fiscal effect of this exclusion is included in the Five-Year Revenue Loss chart in the row labeled other exemptions.

## 71. Used Manufactured Homes and 54 Percent of Cost of New Manufactured Homes

This exclusion provides that used manufactured homes and 54 percent of the cost of new factory built homes can be purchased free from sales tax. A factory built home includes a manufactured home, modular home, mobile home, or residential mobile home with or without a permanent foundation, which includes plumbing, heating, and electrical systems.

### Legal Citation

R.S. 47:301(16)(g)

### Origin

Acts 2000, No. 30; amended by Acts 2001, No. 1212; Acts 2009, No. 500

### Effective Date

July 1, 2001

### Beneficiaries

Individuals that purchase new and used manufactured homes

### Administration

The purpose of this exclusion is achieved in a fiscally effective manner.

Estimated Fiscal Effect	
FYE 6-16	FYE 6-17
\$7,696,000	\$7,849,000

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# Sales Tax

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{ Exclusions }

# 73

## 72. Purchases of Certain Custom Computer Software

This exclusion, phased in over four-years, excludes custom computer software from the definition of tangible personal property. The percentage excluded from the cost price of custom software is 25 percent in the first year, increasing by 25 percent each fiscal year until fully exempt on June 30, 2005. In order to be considered "custom computer software," the computer software must require preparation, creation, adaptation, or modification by the vendor in order to be used in a specific work environment or to perform a specific function for the user.

### Legal Citation

R.S. 47:301(16)(h), (22) and (23)

### Origin

Acts 2002, 1<sup>st</sup> Ex. Sess., No. 7

### Effective Date

July 1, 2002

### Beneficiaries

Dealers and consumers of custom computer software

### Administration

The purpose of this exclusion is achieved in a fiscally effective manner.

### Estimated Fiscal Effect

The estimated fiscal effect of this exclusion is included in the Five-Year Revenue Loss chart in the row labeled other exemptions.

## 73. Certain Digital Television and Digital Radio Conversion Equipment

This exclusion allows individual taxpayers who hold a Federal Communications Commission license issued pursuant to 47 CFR Part 73, to purchase digital television and digital radio conversion equipment free from the general sales and use tax. Acts 2002, No. 61 specifically defines the items that qualify for the exclusion and provides that the exclusion only applies to the first purchase of each enumerated item. The Act also allows for a retroactive application of the exclusion on purchases of qualifying equipment purchased after January 1, 1999.

When enacted, the exclusion for purchases made by taxpayers holding Federal Communications Commission radio broadcast licenses issued pursuant to 47 CFR Part 73 did not apply until such time as the Federal Communications Commission mandated a radio conversion to digital broadcasting. Acts 2005, No. 243 repealed the restriction thus enabling those taxpayers to claim the exclusion on the first purchase of qualifying items.

### Legal Citation

R.S. 47:301(16)(i)

### Origin

Acts 2002, No. 61 ; Amended by Acts 2005, No. 243

### Effective Date

June 25, 2002

### Sunset Date

June 12, 2009

### Beneficiaries

Taxpayers mandated by FCC to convert to digital broadcasting

### Administration

The purpose of this exclusion is achieved in a fiscally effective manner.

### Estimated Fiscal Effect

\$0, exclusion sunsetted.

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# Sales Tax

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# 85

{ Exemptions }

# 86

## 84. Purchases by Nonprofit Electric Cooperatives

This exemption allows nonprofit electric cooperatives to purchase tangible property without the payment of sales tax. The purpose of this exemption is to assist in providing electrical-utility service to rural areas, since investor-owned utility companies are not allowed a comparable exemption.

### Legal Citation

R.S. 12:425

### Origin

Acts 1940, No. 266; amended by Acts 1968, No. 105

### Effective Date

July 21, 1940

### Beneficiaries

Rural electric cooperatives

### Administration

The exemption has caused problems when the cooperatives tried to pass the exemption through to construction contractors using agency agreements. This exemption was fully suspended through 6/30/09 and the one percent suspension will continue indefinitely.

### Estimated Fiscal Effect

The estimated fiscal effect of this exemption is included in the Five-Year Revenue Loss chart in the row labeled Exemptions subject to 1% suspended rate.

## 85. Purchases by a Public Trust

This exemption allows bulk purchases of materials, supplies, vehicles, and equipment by a public trust free of general sales tax. The purchases must be made on behalf of the public trust. The purpose of this exemption is to provide assistance to public entities.

### Legal Citation

R.S. 38:2212.4

### Origin

Acts 1989, No. 780 (Redesignated from R.S. 38:2212.3 to R.S. 38:2212.4 pursuant to Acts 1999 No. 768.)

### Effective Date

July 9, 1989

### Beneficiaries

Public trusts

### Administration

The purpose of this exemption is achieved in a fiscally effective manner.

### Estimated Fiscal Effect

\$0, resale to government entities.

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# Sales Tax

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# 105

{ Exemptions }

## 104. Adaptive Driving Equipment and Motor Vehicle Modification

This provision allows for the tax-free purchase of adaptive driving equipment and modifications to motor vehicles when prescribed by a physician, a licensed chiropractor, or a driver rehabilitation specialist licensed by the state. The purpose of this exemption is to provide financial assistance to persons requiring special driving equipment.

### Legal Citation

R.S. 47:305(D)(1)(u)

### Origin

Acts 1998, No. 37

### Effective Date

June 24, 1998

### Beneficiaries

Persons requiring specialized driving equipment.

### Administration

This exemption was fully suspended through 6/30/09 and the one percent suspension will continue indefinitely.

### Estimated Fiscal Effect

The estimated fiscal effect of this exemption is included in the Five-Year Revenue Loss chart in the row labeled Exemptions subject to 1% suspended rate.

## 105. Sales of Food by Certain Institutions

This exemption allows tax-free sales of food to staff and students of educational institutions, the staff and patients of hospitals and mental institutions and boarders in rooming houses, and similar institutions if the facility does not serve food to the general public and the meals are consumed on the premises. The purpose of this exemption is to provide financial relief to the staff and patients/boarders of certain institutions. In 2013, the statute was amended to exempt the sales of meals to the staff and residents of nursing homes, adult residential care providers, and continuing care retirement communities.

### Legal Citations

R.S. 47:305(D)(2)

### Origin

Acts 1973 Ex. Sess., No. 13; amended by Acts 2009, No. 473; Acts 2013, No. 271

### Effective Date

January 1, 1974

### Beneficiaries

Certain Institutions

### Administration

This exemption was fully suspended through 6/30/09.

### Estimated Fiscal Effect

The estimated fiscal effect of this exemption is included in the Five-Year Revenue Loss chart in the row labeled other exemptions.

---

# Sales Tax

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# 109

{ Exemptions }

## 108. Sales of 50-ton Vessels and New Component Parts and Sales of Certain Materials and Services to Vessels Operating in Interstate Commerce

This exemption allows the purchase of materials, equipment, and machinery that become component parts of ships, vessels, and barges with a 50-ton and over load displacement and the sale of qualifying ships, vessels, and barges to be exempt from sales tax. Drilling ships and barges are also exempt. This exemption also allows ships or vessels operating exclusively in foreign or interstate coastwise commerce to purchase materials and supplies, repair services, and laundry services tax free. The purpose of this exemption is to make Louisiana boat builders and boat-service businesses competitive with similar companies in other states.

### Legal Citation

R.S. 47:305.1

### Origin

Acts 1959, No. 51; amended by Acts 2002, No. 40 and 41; Acts 2006 1st ext. sess., No. 34

### Effective Date

June 29, 1959

### Beneficiaries

The beneficiaries of this exemption are builders of 50-ton and over ships, vessels, and barges and the owners of ships, vessels, and barges that operate in foreign or interstate commerce. Since the courts have declared that tax laws cannot discriminate against interstate commerce, the Department has been unable to enforce the restrictive built in Louisiana language contained in the statute. Consequently, out-of-state builders have also benefited from this exemption.

### Administration

Acts 2002, No. 40 and 41 have provided a specific definition of "foreign or interstate coastwise commerce." Acts 2006 1st Extraordinary Session No. 34 clarifies that the exemption is applicable to barges and drilling ships.

### Estimated Fiscal Effect

The estimated fiscal effect of this exemption is included in the Five-Year Revenue Loss chart in the row labeled other exemptions.

## 109. Sales of Seeds for Planting Crops

This exemption allows the tax-free sales of seeds to commercial farmers. Commercial farmers include those who grow crops for sale, as well as those who grow crops for live-stock, poultry, fish, and dairy animals. Seeds purchased by commercial farmers were already exempt as a raw material under R.S. 47:301(10)(a). The purpose of this exemption is to clarify that seeds are not taxable.

### Legal Citation

R.S. 47:305.3

### Origin

Acts 1960, No. 427

### Effective Date

July 27, 1960

### Duplicate Provision

R.S. 47:301(10)(e)

### Beneficiaries

Commercial farmers

### Administration

The purpose of this exemption is achieved in a fiscally effective manner.

### Estimated Fiscal Effect

The estimated fiscal effect of this exemption is included in the Five-Year Revenue Loss chart in the row labeled other exemptions.

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# Sales Tax

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# 115

## { Exemptions }

### 114. Property Purchased for Exclusive Use Outside the State

This exemption allows tangible personal property purchased within or imported into Louisiana for first use exclusively beyond the territorial limits of Louisiana to be free from the sales tax. Tangible personal property that is purchased or imported tax free and later returned to Louisiana for use for a taxable purpose will be subject to the Louisiana use tax at the time it is returned. "Use for a taxable purpose" with regards to this exemption, does not include transportation beyond the territorial limit or back, repairs, modifications or fabrications and storing for first use offshore beyond the territorial limits of any state. Charges for repairs in Louisiana to tangible personal property for use in offshore areas are taxable except those described in R.S. 47:305(I).

#### Legal Citation

R.S. 47:305.10

#### Origin

Acts 1964, No. 172; amended by Acts 2005, No. 457

#### Effective Date

July 29, 1964

#### Beneficiaries

Businesses who purchase tangible personal property within Louisiana and use the property in the offshore area

#### Administration

Recent court rulings that broadly interpret what constitutes interstate, offshore, and foreign commerce make this exemption difficult to administer.

#### Estimated Fiscal Effect

The estimated fiscal effect of this exemption is included in the Five-Year Revenue Loss chart in the row labeled other exemptions.

### 115. Additional Tax Levy on Contracts Entered into Prior to and Within 90 Days of Tax Levy

This exemption allows lump-sum contracts entered into within 90 days prior to a new tax levy to be exempt from the new tax levy. This exemption also allows contracts entered into within 90 days after a new tax levy is in effect to be exempt from that tax levy if the contracts involve contractual obligations undertaken prior to the effective date. The purpose of this exemption is to offer financial protection to contractors who enter into contracts based upon existing tax levies.

#### Legal Citation

R.S. 47:305.11

#### Origin

Acts 1970, No. 7

#### Effective Date

July 29, 1970

#### Beneficiaries

Lump-sum contractors

#### Administration

The purpose of this exemption is achieved in a fiscally effective manner.

Estimated Fiscal Effect	
FYE 6-16	FYE 6-17
Unable to anticipate	\$0

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# Sales Tax

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117

{ Exemptions }

118

## 116. Admissions to Entertainment by Domestic Nonprofit Charitable, Educational, and Religious Organizations

This exemption allows admissions to events sponsored by domestic nonprofit charitable, educational, and religious organizations to be exempt from sales tax. The funds raised, except for necessary expenses, must be used for the purposes for which the event was organized. The purpose of this exemption is to provide financial assistance to qualifying organizations.

### Legal Citation

R.S. 47:305.13

### Origin

Acts 1971, No. 125

### Effective Date

June 28, 1971

### Beneficiaries

Domestic nonprofit groups

### Administration

This exemption has been fully suspended and the one percent suspension will continue indefinitely.

### Estimated Fiscal Effect

The estimated fiscal effect of this exemption is included in the Five-Year Revenue Loss chart in the row labeled Exemptions subject to 1% suspended rate.

## 117. Sales of Tangible Personal Property at or Admissions to Events Sponsored by Certain Nonprofit Groups

This exemption allows sales of tangible personal property at or admissions, and parking fees to certain events sponsored by nonprofit domestic, civic, educational, charitable, fraternal, or religious organizations, to be exempt from sales tax. All funds from the event, except necessary expenses, must be used for educational, charitable, religious, or historical restoration purposes. The purpose of this exemption is to provide financial assistance to qualifying organizations.

### Legal Citation

R.S. 47:305.14

### Origin

Acts 1973, No. 89; amended by Acts 1991, No. 533 and 930

### Effective Date

July 2, 1973

### Beneficiaries

Qualifying nonprofit organizations

### Administration

The purpose of this exemption is achieved in a fiscally effective manner.

### Estimated Fiscal Effect

The estimated fiscal effect of this exemption is included in the Five-Year Revenue Loss chart in the row labeled other exemptions.

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# Sales Tax

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# 119

## { Exemptions }

### 118. Sales by Thrift Shops on Military Installations

This exemption allows sales by thrift shops located on military installations to be eligible for the exemption provided for sales at events sponsored by nonprofit domestic charitable organizations. For purposes of this exemption, the sales by the thrift shops constitute an event. The beneficiaries of this exemption are the customers of the thrift shops. The purpose of this exemption is to provide financial assistance to customers who shop at thrift shops on military bases.

#### Legal Citation

R.S. 47:305.14(A)(4)

#### Origin

Acts 1994, No. 22

#### Effective Date

June 7, 1994

#### Beneficiaries

Customers of thrift shops located on military installations

#### Administration

The purpose of this exemption is achieved in a fiscally effective manner.

#### Estimated Fiscal Effect

The estimated fiscal effect of this exemption is included in the Five-Year Revenue Loss chart in the row labeled other exemptions.

### 119. Sales of Newspapers by Religious Organizations

This exemption allows religious organizations to sell newspapers without the collection of the general sales tax provided the charge for the newspaper does not exceed publication costs. The purpose of this exemption is to provide financial assistance to religious organizations. These newspapers would be eligible for the exclusion under R.S. 47:301(16)(p).

#### Legal Citation

R.S. 47:305.14(A)(1)

#### Origin

Acts 1994, No. 39

#### Effective Date

June 7, 1994.

#### Beneficiaries

Qualifying religious organizations

#### Administration

The purpose of this exemption is achieved in a fiscally effective manner.

#### Estimated Fiscal Effect

The estimated fiscal effect of this exemption is included in the Five-Year Revenue Loss chart in the row labeled other exemptions.

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# Sales Tax

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{ Exemptions }

# 122

## 120. Sales to Nonprofit Literacy Organizations

This exemption allows nonprofit literacy organizations that comply with the court order from the Dodd Brumfield decision and Section 501(c)(3) of the Internal Revenue Code to purchase tangible personal property and taxable services free of the general sales tax. The exemption is limited to purchases of books, workbooks, computer software, films, videos, and audio tapes. The purpose of this exemption is to provide financial assistance to qualifying organizations.

### Legal Citation

R.S. 47:305.14(A)(5)

### Origin

Acts 2002, No. 27

### Effective Date

July 1, 2002

### Beneficiaries

Qualifying nonprofit literacy organizations

### Administration

The purpose of this exemption is achieved in a fiscally effective manner.

### Estimated Fiscal Effect

The estimated fiscal effect of this exemption is included in the Five-Year Revenue Loss chart in the row labeled other exemptions.

## 121. Sales or Purchases by Blind Persons Operating Small Businesses

This exemption allows blind persons who sell or purchase tangible personal property in the operation of a small business to be exempt from sales tax. The purpose of this exemption is to relieve blind persons of the burden of collecting and reporting sales tax collections.

### Legal Citation

R.S. 47:305.15(A)

### Origin

Acts 1973, No. 61

### Effective Date

July 2, 1973

### Beneficiaries

Blind persons operating a business

### Administration

The purpose of this exemption is achieved in a fiscally effective manner.

### Estimated Fiscal Effect

The estimated fiscal effect of this exemption is included in the Five-Year Revenue Loss chart in the row labeled other exemptions.

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# Sales Tax

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# 123

{ Exemptions }

## 122. Purchases by Certain Organizations that Promote Training for the Blind

This exemption allows organizations that provide training for the blind and receive at least 75 percent of the organizations' funding from public funds to purchase goods and services free of the general sales tax. The purpose of this exemption is to provide financial assistance to blind organizations.

### Legal Citation

R.S. 47:305.15(B)

### Origin

Acts 1994, No. 26

### Effective Date

August 15, 1994

### Beneficiaries

Qualifying organizations for the blind

### Administration

The purpose of this exemption is achieved in a fiscally effective manner.

### Estimated Fiscal Effect

The estimated fiscal effect of this exemption is included in the Five-Year Revenue Loss chart in the row labeled other exemptions.

## 123. Cable Television Installation and Repair Services

This exemption allows installation charges and repairs to hardware to be exempt from sales tax. This exemption was not necessary, as cable installation charges are a nontaxable service and repair services are performed on immovable equipment and are not subject to taxation. The purpose of this exemption is to clarify that cable television installation and repair services are not subject to the tax.

### Legal Citation

R.S. 47:305.16

### Origin

Acts 1974, No. 593

### Effective Date

July 31, 1974

### Beneficiaries

Television cable companies and their subscribers, if these charges were subject to tax

### Administration

The purpose of this exemption is achieved in a fiscally effective manner.

### Estimated Fiscal Effect

\$0; Installation charges and charges for repairs to immovable property are not taxable.

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# Sales Tax

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# 125

{ Exemptions }

126

## 124. Receipts from Coin-operated Washing and Drying Machines in Commercial Laundromats

This exemption allows receipts from coin-operated washing and drying machines to be exempt from sales tax if the machines are located in a commercial laundromat. The purpose of this exemption was to provide financial relief to commercial laundromats who were unable to collect sales tax rate increases from their customers. In 1996, the courts ruled that the revenue from coin-operated washing and drying machines were not subject to sales tax as a taxable service of cleaning.

### Legal Citation

R.S. 47:305.17

### Origin

Acts 1975, No. 423

### Effective Date

September 12, 1975

### Beneficiaries

Commercial coin-operated laundromats

### Administration

The purpose of this exemption is achieved in a fiscally effective manner.

### Estimated Fiscal Effect

Courts have ruled that these receipts are not taxable. In addition, the receipts are not reported on the return.

## 125. Outside Gate Admissions & Parking Fees at Fairs, Festivals, & Expositions Sponsored by Nonprofit Organizations

This exemption allows certain gate admissions and parking fees to fairs, festivals, and expositions sponsored by Louisiana chartered nonprofit organizations to be exempt from sales tax. This exemption does not apply to any event intended to yield a profit to the promoter or any individual contracted to provide services or equipment for the event. The purpose of this exemption is to provide financial assistance to qualifying nonprofit organizations.

### Legal Citation

R.S. 47:305.18

### Origin

Acts 1975, No. 824

### Effective Date

September 12, 1975

### Beneficiaries

Nonprofit organizations

### Administration

This exemption was fully suspended through 6/30/09 and the one percent suspension will continue indefinitely.

### Estimated Fiscal Effect

The estimated fiscal effect of this exemption is included in the Five-Year Revenue Loss chart in the row labeled Exemptions subject to 1% suspended rate.

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# Sales Tax

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{ Exemptions }

# 136

## 134. Sales of Certain Fuels Used for Farm Purposes

This exemption allows the tax-free purchase of diesel fuel, butane, propane, and other liquefied petroleum gases for farm use. The purpose of this exemption is to provide financial assistance to commercial farmers.

### Legal Citation

R.S. 47:305.37

### Origin

Acts 1982, No. 820; amended by Acts 1985, No. 511 and No. 621

### Effective Date

January 1, 1983

### Beneficiaries

Commercial farmers

### Administration

The purpose of this exemption is achieved in a fiscally effective manner.

### Estimated Fiscal Effect

The estimated fiscal effect of this exemption is included in the Five-Year Revenue Loss chart in the row labeled other exemptions.

## 135. Sales or Purchases by Certain Sheltered Workshops

This exemption allows certain sheltered workshops for the mentally incapacitated to sell and purchase tax free. The workshop must be used as a day developmental training center and licensed by the Department of Children and Family Services. The purpose of this exemption is to provide financial assistance to sheltered workshops.

### Legal Citation

R.S. 47:305.38

### Origin

Acts 1982, No. 242

### Effective Date

September 10, 1982

### Beneficiaries

Qualifying sheltered workshops

### Administration

The purpose of this exemption is achieved in a fiscally effective manner.

### Estimated Fiscal Effect

The estimated fiscal effect of this exemption is included in the Five-Year Revenue Loss chart in the row labeled other exemptions.

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# Sales Tax

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# 145

{ Exemptions }

# 146

## 144. Catalogs Distributed in Louisiana

This exemption allows free catalogs distributed in Louisiana to be exempt from sales and use tax. Prior to the exemption, the tax was due on mail-order catalogs, but only enforceable on companies with a business situs in Louisiana. This exemption puts in-state and out-of-state companies on the same basis. The purpose of this exemption was to provide financial assistance to mail-order companies, especially those with a Louisiana presence.

### Legal Citation

R.S. 47:305.49

### Origin

Acts 1989, No. 796

### Effective Date

September 3, 1989

### Beneficiaries

Mail-order companies

### Administration

This exemption was fully suspended through 6/30/09 and the one percent suspension will continue indefinitely.

### Estimated Fiscal Effect

The estimated fiscal effect of this exemption is included in the Five-Year Revenue Loss chart in the row labeled Exemptions subject to 1% suspended rate.

## 145. Certain Trucks and Trailers Used 80 Percent in Interstate Commerce

This exemption allows the tax free purchase of trucks with a gross weight of twenty-six thousand pounds or more and to trailers if the truck and trailer are to be used at least eighty percent of the time in interstate commerce and whose activities are subject to the jurisdiction of the United States Department of Transportation. For purposes of this exemption the terms "trucks" and "trailers" shall have the meanings ascribed to the terms truck, trailer, road tractor, semi-trailer, tandem truck, tractor, and truck-tractor in R.S. 47:451. The purpose of this exemption is to provide financial assistance to the owners of trucks operating in interstate commerce.

### Legal Citation

R.S. 47:305.50(A)(1)(a)(i) and (b)(i)

### Origin

Acts 1996, No. 8; amended by Acts 1998, No. 41; Acts 2000, No. 27; Acts 2002, No. 2; Acts 2007, No. 209

### Effective Date

July 1, 1996

### Beneficiaries

Purchasers of large trucks and trailers used 80 percent in interstate commerce

### Administration

This exemption is achieved in a fiscally effective manner.

Estimated Fiscal Effect	
FYE 6-16	FYE 6-17
\$19,906,000	\$20,304,000

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# Sales Tax

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# 147

{ Exemptions }

## 146. Certain Contract Carrier Buses Used 80 Percent in Interstate Commerce

This provision allows certain contract carrier buses used 80 percent of the time in interstate commerce to be exempt from sales and use tax. The bus must meet the definition in the exemption, which requires the bus to be a commercial vehicle with a minimum capacity of 35 passengers and have a minimum gross weight of 26,000 lbs. The purpose of this exclusion is to provide financial assistance to large contract carrier buses operating in interstate commerce.

### Legal Citation

R.S. 47:305.50(B)

### Origin

Acts 1998, No. 41; amended by Acts 2000, No. 27 and Acts 2002, No. 2

### Effective Date

June 30, 1998

### Beneficiaries

Purchasers of large contract carrier buses used 80 percent in interstate commerce

### Administration

The purpose of this exemption is achieved in a fiscally effective manner.

### Estimated Fiscal Effect

See number 145, Sales Tax Section.

## 147. Rail Rolling Stock Sold or Leased in Louisiana

This provision allows a state and local sales and use tax exemption for rail rolling stock sold or leased in Louisiana. R.S. 47:305.50(B)(2) provides a state and local sales tax exemption for parts or services used in the fabrication, modification, or repair of rail rolling stock. Political subdivisions are authorized to provide by ordinance that the sales or use tax exemption provided by R.S. 47:305.50(B)(2) will not apply within their jurisdictions and that their sales or use taxes will be due on parts or services used in the fabrication, modification, or repair of rail rolling stock.

### Legal Citation

R.S. 47:305.50(E)(1) and (2)

### Origin

Acts 1996, No. 36; amended by Acts 1998, No. 41; Acts 2005, No. 397

### Effective Date

July 1, 1996

### Sunset Date

June 30, 1998

### Reestablished

July 1, 2005

### Beneficiaries

Taxpayers who sell or lease rail rolling stock in Louisiana and their customers

### Administration

The purpose of this exemption is achieved in a fiscally effective manner.

### Estimated Fiscal Effect

The estimated fiscal effect of this exemption is included in the Five-Year Revenue Loss chart in the row labeled other exemptions.

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# Sales Tax

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# 149

{ Exemptions }

## 148. Sales of Railroad Ties to Railroads for Use in Other States

This provision creates a sales tax exemption for railroad ties purchased by a railroad prior to long-term preservative treatment and installed into the railroad's track system outside the jurisdiction.

### Legal Citation

R.S. 47:305.50(F)

### Origin

Acts 2009, No. 442

### Effective Date

July 1, 2009

### Beneficiaries

Railroads

### Administration

The purpose of this exemption is achieved in a fiscally effective manner.

### Estimated Fiscal Effect

The estimated fiscal effect of this exemption is included in the Five-Year Revenue Loss chart in the row labeled other exemptions.

## 149. Utilities Used by Steelworks and Blast Furnaces

This provision allows utilities, including electricity, used by steelworks and blast furnaces to be exempt from sales tax. The facility must employ more than 125 full-time workers and is classified as code 331111 of the North American Industry Classification System to qualify. The purpose of this exemption is to provide an economic incentive for a steel mill to locate in Louisiana.

### Legal Citation

R.S. 47:305.51

### Origin

Acts 1998, No. 28; amended by Acts 2001 1<sup>st</sup> Ex. Sess., No. 5; Acts 2002, No. 49; Acts 2004 1<sup>st</sup> Ex. Sess., No. 5; Acts 2009, no. 443

### Effective Date

March 27, 2001

### Beneficiaries

Any steel mill meeting the minimum requirements.

### Administration

The purpose of this exemption is achieved in a fiscally effective manner.

### Estimated Fiscal Effect

See number 99, Sales Tax Section.

*Note:* This exemption is subject to the partial suspension of certain business utilities under HCR 8 of 2015.

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# Sales Tax

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{ Exemptions }

# 152

## 150. Sickle Cell Disease Organizations

This exclusion provides a state and local sales tax exemption for nonprofit organizations that were established prior to 1975 conducting comprehensive programs on sickle cell disease which includes but is not limited to free education, free testing, free counseling, and free prescriptions, transportation, and food packages for sickle cell patients. The organizations are required to obtain exemption certificates from the Department of Revenue.

### Legal Citation

R.S. 47:305.53

### Origin

Acts 2005, No. 278

### Effective Date

July 1, 2005

### Beneficiaries

Sickle Cell disease organizations and their customers

### Administration

The purpose of this exemption is achieved in a fiscally effective manner.

### Estimated Fiscal Effect

The estimated fiscal effect of this exemption is included in the Five-Year Revenue Loss chart in the row labeled other exemptions.

## 151. Annual Louisiana Sales Tax Holiday

This exclusion provides for an exemption from the state sales tax on the first consecutive Friday and Saturday of August each year, on the first \$2,500 of the purchase price of most individual items of tangible personal property. The exemption applies statewide to all consumer purchases of tangible personal property, other than vehicles subject to license and title and meals furnished for consumption on the premises, provided that the property is not for use in a business, trade, or profession.

### Legal Citation

R.S. 47:305.54

### Origin

Acts 2005, 1<sup>st</sup> Ex. Session No. 9; amended by Acts 2007, No. 244

### Effective Date

First consecutive Friday and Saturday of August each year

### Beneficiaries

Individual consumers

### Administration

The purpose of this exemption is achieved in a fiscally effective manner.

Estimated Fiscal Effect	
FYE 6-16	FYE 6-17
\$4,265,000	\$4,350,000

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# Sales Tax

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# 153

{ Exemptions }

# 154

## 152. Sales of Original One-of-a-Kind Works of Art from Certain Locations

This exemption allows the sale of original one-of-a-kind works of art from an established location within the boundaries of a cultural product district without any sales tax.

### Legal Citation

R.S.47:305.57

### Origin

Acts 2007, No. 298

### Effective Date

January 1, 2008

### Beneficiaries

Purchasers of original one-of-a-kind works of art

### Administration

The purpose of this exemption is achieved in a fiscally effective manner.

### Estimated Fiscal Effect

The estimated fiscal effect of this exemption is included in the Five-Year Revenue Loss chart in the row labeled other exemptions.

## 153. Hurricane Preparedness Louisiana Sales Tax Holiday

This provision allows an exemption from the state sales and use tax from 12:01 a.m. on Saturday until 11:59 p.m. on Sunday during the last weekend in May of each year, on the first \$1500 of the purchase price of certain hurricane preparedness items or supplies.

### Legal Citation

R.S. 47:305.58

### Origin

Acts 2007, No. 429

### Effective Date

The last weekend of May each year beginning at 12:01 a.m. on Saturday and ending at 11:59 p.m. on Sunday

### Beneficiaries

Individuals purchasing hurricane preparedness items or supplies

### Administration

The purpose of this exemption is achieved in a fiscally effective manner.

Estimated Fiscal Effect	
FYE 6-16	FYE 6-17
\$46,000	\$47,000

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# Sales Tax

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{ Exemptions }

# 156

## 154. Sale of Construction Materials to Habitat for Humanity, Fuller Center for Housing and Make it Right Foundation

This exemption allows Habitat for Humanity affiliates, Fuller Center for Housing covenant partners and the Make it Right Foundation to purchase construction supplies without the payment of sales or use tax when the materials are intended for use in constructing new residential dwellings in this state.

### Legal Citation

R.S. 47:305.59

### Origin

Acts 2007, No. 430; amended by Acts 2009, No. 464; amended by Acts 2011, No. 385

### Effective Date

October 1, 2007 on purchases by Habitat for Humanity; July 1, 2009 on purchases by Fuller Center for Housing; and July 1, 2012 for purchases by Make it Right Foundation

### Beneficiaries

Habitat for Humanity, Fuller Center for Housing and Make it Right Foundation.

### Administration

The purpose of this exemption is achieved in a fiscally effective manner.

### Estimated Fiscal Effect

The estimated fiscal effect of this exemption is included in the Five-Year Revenue Loss chart in the row labeled other exemptions.

## 155. Sparta Groundwater Conservation District

This provision allows for the purchase of certain water conservation equipment for use within the Sparta Groundwater Conservation District without the payment of sales or use tax. Prior to application for an exemption certificate, the applicant must receive certification from the Commissioner of Conservation that the equipment qualifies as water conservation equipment.

### Legal Citation

R.S. 47:305.61

### Origin

Acts 2007, No. 471

### Effective Date

July 1, 2007

### Beneficiaries

Purchasers of equipment, certified by the Commissioner of Conservation as water conservation equipment and used in the Sparta Groundwater District.

### Administration

The purpose of this exemption is achieved in a fiscally effective manner.

### Estimated Fiscal Effect

The estimated fiscal effect of this exemption is included in the Five-Year Revenue Loss chart in the row labeled other exemptions.

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# Sales Tax

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# 157

## { Exemptions }

### 156. Second Amendment Sales Tax Holiday

This provision creates a three day sales tax holiday on consumer purchases of firearms, ammunition and hunting supplies for the first consecutive Friday through Sunday of September. The sales tax holiday is applicable to both state and local sales tax.

#### Legal Citation

R.S. 47:305.62

#### Origin

Acts 2009, No. 453

#### Effective Date

July 9, 2009

#### Beneficiaries

Individuals purchasing firearms, ammunition and hunting supplies.

#### Administration

The purpose of this exemption is achieved in a fiscally effective manner.

### 157. Sales of Polyroll Tubing

This provision creates a state sales tax exemption for polyroll tubing used for commercial farm irrigation.

#### Legal Citation

R.S. 47:305.63

#### Origin

Acts 2009, No. 450

#### Effective Date

July 8, 2009

#### Beneficiaries

Commercial farmers

#### Administration

The purpose of this exemption is achieved in a fiscally effective manner.

#### Estimated Fiscal Effect

The estimated fiscal effect of this exemption is included in the Five-Year Revenue Loss chart in the row labeled other exemptions.

Estimated Fiscal Effect	
FYE 6-16	FYE 6-17
\$809,000	\$826,000

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# Sales Tax

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# 161

{ Exemptions }

## 160. Parish Councils on Aging

This provision creates a state sales and use tax exemption for the sixty-four nonprofit parish Councils on Aging located in the state which are supervised by the Office of Elderly Affairs of the Governor's Office. These organizations are dedicated to delivering state-approved services directly to senior citizens.

### Legal Citation

R.S. 47:305.66

### Origin

Acts 2011, No. 53

### Effective Date

October 1, 2011

### Beneficiaries

Parish Councils on Aging.

### Administration

The purpose of this exemption is achieved in a fiscally effective manner.

### Estimated Fiscal Effect

The estimated fiscal effect of this exemption is included in the Five-Year Revenue Loss chart in the row labeled other exemptions.

## 161. Purchases of Breastfeeding Items

This provision creates a state sales and use tax exemption for purchases of breast pumps and accessories, replacement parts, storage bags and accessories, and nursing bras.

### Legal Citation

R.S. 47:305.67

### Origin

Acts 2011, No. 331

### Effective Date

October 1, 2011

### Beneficiaries

Purchasers of breast feeding items.

### Administration

The purpose of this exemption is achieved in a fiscally effective manner.

### Estimated Fiscal Effect

The estimated fiscal effect of this exemption is included in the Five-Year Revenue Loss chart in the row labeled other exemptions.

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# Sales Tax

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{ Exemptions }

# 164

## 162. Purchases by the Fore!Kids Foundation

This provision creates a state sales and use tax exemption for the purchase, use, or rental of materials, services, property, and supplies by the Fore!Kids Foundation whose primary purpose is to fund children's service organizations from monies raised from golfing events.

### Legal Citation

R.S. 47:305.68

### Origin

Acts 2011, No. 374

### Effective Date

October 1, 2011

### Beneficiaries

Fore!Kids Foundation.

### Administration

The purpose of this exemption is achieved in a fiscally effective manner.

### Estimated Fiscal Effect

The estimated fiscal effect of this exemption is included in the Five-Year Revenue Loss chart in the row labeled other exemptions.

## 163. Purchase of a Motor Vehicle Modified for Use by an Orthopedically Disabled Person

This provision creates a state sales and use tax rebate on the purchase of a motor vehicle modified for use by a person who is orthopedically disabled. The provision is applicable to motor vehicle purchases made between January 1, 2010 and June 30, 2013.

### Legal Citation

R.S. 47:305.69

### Origin

Acts 2011, No. 379

### Effective Date

October 1, 2011

### Sunset Date

June 30, 2013

### Beneficiaries

Purchasers of a vehicle modified for use by an orthopedically disabled person.

### Administration

The purpose of this exemption is achieved in a fiscally effective manner.

### Estimated Fiscal Effect

\$0, exclusion sunsetted.

# Sales Tax

{ Alternate-Reporting Methods }

# 170

## 168. Helicopters Leased for use in the Extraction, Production, or Exploration for Oil, Gas, or Other Minerals

This alternate-reporting method allows the lease or rental of certain helicopters used in the extraction, production, and exploration of oil, gas, and other minerals to be considered a sale of tangible personal property with an extended period of time allowed to remit any taxes due.

Helicopters acquired through a lease, rental, lease-purchase, or similar transaction by a company involved in the extraction, production, or exploration for oil, gas, or other mineral qualify for this method. Helicopters used by companies providing service to qualifying companies also qualify for this alternate-reporting method. Qualifying companies do not pay sales tax on lease or rental payments, but remit the tax on the sales price in equal installments over the terms of the lease, rental, or lease-purchase contract.

### Legal Citation

R.S. 47:302.1

### Origin

Acts 1984, No. 353

### Effective Date

July 2, 1984

### Administration

This provision has been superseded by the exclusion under R.S. 47:301(10)(a)(iii), effective October 1, 1996.

### Estimated Fiscal Effect

See number 30, Sales Tax Section.

## 169. Cash-basis Sales Tax Reporting and Remitting for Health and Fitness Club Membership Contracts

This alternate-reporting method allows health clubs to report and remit sales taxes on a cash basis and to report the receipts net of any imputed interest or collection fees. The purpose of this alternate-reporting method is to relieve clubs from the taxes on unpaid membership contracts.

### Legal Citation

R.S. 47:303(F)

### Origin

Acts 1985, No. 661; Amended by Acts 1987, No. 379

### Effective Date

September 30, 1985

### Beneficiaries

Health and fitness clubs

### Administration

The purpose of this alternate reporting method is achieved in a fiscally effective manner.

Estimated Fiscal Effect	
FYE 6-16	FYE 6-17
\$0	\$0

# Sales Tax

# 171

{ Alternate-Reporting Methods }

# 172

## 170. Cash-basis Reporting Procedure for Rental and Lease Transactions

This alternative method of tax payment allows lessors of tangible personal property to report and remit sales tax due after payment is collected rather than in the period that the rental or lease occurred. The purpose of this alternate-reporting method is to relieve lessors from the taxes on unpaid rental fees.

### Legal Citation

R.S. 47:306(A)(2)

### Origin

Acts 1985, No. 867

### Effective Date

July 23, 1985

### Beneficiaries

The beneficiaries of this alternative method of tax payment are the lessors of the property. This method of tax payment allows the lessors to avoid the loss of sales taxes remitted on transactions that ultimately become bad debts.

### Administration

The purpose of this alternate reporting method is achieved in a fiscally effective manner.

Estimated Fiscal Effect	
FYE 6-16	FYE 6-17
\$0	\$0

## 171. Collection from Interstate and Foreign Transportation Dealers

This alternative method of tax payment allows transportation companies operating in interstate and foreign transportation of passengers or property to remit taxes based upon the percentage of Louisiana miles to total miles. Per Acts, 2005 No. 126, "Louisiana mileage" shall not include mileage in Louisiana that is a segment or part of a stream of trade, traffic, transportation, or movement of passengers or property between a point in this state and a point located offshore beyond the territorial limits of any state. The Act also provides that a unit of transportation measurement other than mileage may be used if appropriate based on industry custom and type of transportation. Those transportation dealers registered under R.S. 47:306.1 on June 22, 2005, and who provide transportation between points in Louisiana and points offshore outside the territorial limits of any state during the sales and use tax period immediately preceding June 22, 2005 are deemed to have elected to report under these statutes and shall begin reporting in accordance with them in lieu of R.S. 47:306.1 unless the taxpayer notifies the secretary to the contrary.

### Legal Citation

R.S. 47:306.1, R.S. 47:306.2

### Origin

Acts 1956, No. 438; amended by Acts 2005, No. 126

### Effective Date

August 1, 1956

### Beneficiaries

Interstate and foreign transportation dealers

### Administration

The purpose of this alternate reporting method is achieved in a fiscally effective manner.

### Estimated Fiscal Effect

We are unable to estimate the fiscal effect; there is no reporting requirement for the data.

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# Sales Tax

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# 173

{ Statutorily Prescribed Methods of Taxation }

## 172. Extended Time to Register Mobile Homes

This provision allows purchasers of mobile homes, as defined by R.S. 9:1149.2(3), to extend the time to apply for a certificate of Title from five days after delivery to the 20<sup>th</sup> day of the month following the month of delivery of the home. This allows between 20 to 50 days to apply for a title. If a mobile home is immobilized prior to registration, the mobile home is not subject to sales tax. The purpose of this provision is to allow purchasers of mobile homes more time to immobilize the mobile home. However, beginning 1/1/2010, new legislation eliminates the ability of manufactured home purchasers to avoid paying tax through an act of immobilization.

### Legal Citation

R.S. 32:707(A)

### Origin

Acts 1997, No. 272; amended by Acts 2009, No. 500.

### Effective Date

July 1, 1997

### Beneficiaries

The beneficiaries of this provision are purchasers of mobile homes that immobilize them at the time of purchase.

### Administration

The purpose of this provision is achieved in a fiscally effective manner.

### Estimated Fiscal Effect

\$0; this statute was amended to eliminate the ability of manufactured home purchasers to avoid paying tax through an act of immobilization.

## 173. "Sales or Cost Price" of Refinery Gas

These exclusions define the valuation of refinery gas, except feedstock, either sold or produced. This value is determined for each calendar year. Sales of such property are subject to tax under R.S. 47:301(13)(d) and the use of such property by the producer is subject to the tax under R.S. 47:301(3)(f). The price of refinery gas shall be the maximum of 52¢ per MCF multiplied by a fraction the numerator of which shall be the posted price for a barrel of West Texas Intermediate Crude Oil on December 1 of the preceding calendar year and the denominator of which shall be \$29. This valuation applies to both state and local governments. The valuation for calendar year 2006 is \$1.048 and for calendar year 2007 is \$1.137. This valuation is identical to the valuation originally set under R.S. 47:305(D)(1)(h) (See number 104, Sales Tax Section).

### Legal Citation

R.S. 47:301(3)(f), R.S. 47:301(13)(d)

### Origin

Acts 1996, No. 29; amended Acts 2004, No. 49;  
Acts 2005, No. 458

### Effective Date

July 2, 1996

### Beneficiaries

Refineries producing refinery gas

### Administration

The purpose of this provision is achieved in a fiscally effective manner.

### Estimated Fiscal Effect

\$0; This is a valuation formula only.

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# Sales Tax

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{ Credits }

## 176. Student Assessment for a Valuable Education (SAVE)

Students enrolled at a public institution of higher education will be granted a transferable, nonrefundable SAVE credit against individual income, sales and use, gasoline, and special fuels taxes equal to the amount of the SAVE assessment. The amount of the credit will not exceed the average household tax liability in Louisiana for the following: individual income, sales and use, gasoline, and special fuels taxes, as determined and published by the Department of Revenue no later than June 30th of each fiscal year. The aggregate amount of SAVE credits granted in any fiscal year cannot exceed \$350 million.

The Save credit is a transferable, nonrefundable credit, which will be transferred to the Board of Regents. The Board of Regents will certify to the Department of Revenue the total headcount enrollment at public institutions of higher learning for the previous fall. The Department of Revenue will then determine the total amount of the credit and will provide to the treasurer from current collections an amount of funds equal to such determination. Upon notification from the Department of Revenue, the treasurer will deposit or transfer such funds into the Higher Education Initiatives Fund.

### Legal Citation

R.S. 47:6039

### Origin

Acts 2015, No. 140

### Effective Date

June 19, 2015

### Sunset Date

July 1, 2020

### Beneficiaries

Students enrolled at a public institution of higher education

### Administration

The purpose of this exemption is achieved in a fiscally effective manner.

### Estimated Fiscal Effect

The estimated fiscal effect of this credit is shown in the listing of credits for individual income tax and includes the total revenue loss for individual income, sales and use, gasoline, and special fuels taxes.

#177

{ Refunds }

## 177. Sales Tax Remitted on Bad Debts from Credit Sales

This refund provision grants financial relief to vendors who remit sales taxes to the state that they are subsequently unable to collect from their customers. The sales tax bad-debt recovery provision does not include rentals and leases. The purpose of this refund was to allow taxpayers a refund of sales taxes remitted to the Department, but not collected from their customers.

### Legal Citation

R.S. 47:315

### Origin

Acts 1976, No. 153; amended by Acts 1985, No. 516

### Effective Date

July 20, 1976

### Beneficiaries

Vendors who have remitted the tax on credit sales of tangible personal property that ultimately was uncollectible from their customers.

### Administration

The purpose of this provision is achieved in a fiscally effective manner.

### Estimated Fiscal Effect

During fiscal year 2014-2015, \$337,247 in sales tax refunds were issued for bad debts on credit sales. We are unable to predict the future fiscal effect.

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# Sales Tax

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# 178

{ Refunds }

## 178. State Sales Tax Paid on Property Destroyed in a Natural Disaster

This refund provision gives financial assistance to persons who have suffered uninsured losses in natural disasters. The sales tax paid on destroyed property can be refunded upon the filing of a proper claim. The refund is based upon taxes paid by the owner on the destroyed property. The purpose of this refund is to provide financial relief to persons who have suffered uninsured losses in natural disasters.

### Legal Citation

R.S. 47:315.1

### Origin

Acts 1970, No. 592; amended by Acts 1972, No. 592; Acts 1973, No. 60

### Effective Date

August 17, 1969

### Beneficiaries

Owners of property destroyed by a natural disaster in an area determined by the President of the United States to need federal assistance.

### Administration

The documentation submitted for tax claims is generally incomplete; claims that appear to be reasonable and probable are honored. Under the present system, there is no correlation between need and eligibility for refunds. A better system could probably be devised for giving aid to persons adversely affected by natural disasters.

### Estimated Fiscal Effect

During fiscal year 2013-2014 in sales tax refunds issued to victims of natural disasters were negligible. We are unable to predict the future fiscal effect.

## 179. Materials Used in the Construction, Restoration, or Renovation of Housing in Designated Areas

This refund provision offers a financial incentive to persons who renovate, restore, or rehabilitate existing structures or who construct new housing in certain blighted areas of the state. These areas are determined by local governing authorities. The purpose of this refund provision is to encourage people to improve the conditions of the blighted areas.

### Legal Citations

R.S. 47:315.2, R.S. 40:582.1-582.7, R.S. 47:1515.1

### Origin

Acts 1984, No. 292

### Effective Date

September 3, 1984

### Beneficiaries

People engaged in construction or renovation of real property in certain blighted areas of the state

### Administration

The purpose of this provision is achieved in a fiscally effective manner.

### Estimated Fiscal Effect

Unable to anticipate. No refunds issued in previous years.

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# Sales Tax

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#182 { Refunds }

{ State Exemptions with Prohibitions on Taxation }

## 182. Louisiana Tax Free Shopping Program

This provision offers refunds of state and local sales taxes on certain purchases to international tourists to encourage increased tourism in Louisiana. By paying an annual \$100 fee, merchants will be included in a listing of tax-free stores that is distributed to international tourists. The purpose of the refund provision is to encourage tourists to purchase goods in Louisiana, which in turn benefits the retail dealers.

### Legal Citation

R.S. 51:1301

### Origin

Acts 1988, No. 535; amended Acts 2001, 1<sup>st</sup> Ex. Sess. No. 7; Acts 2004 1<sup>st</sup> Ex. Sess., No. 14; Acts 2006, No. 76; Acts 2008, No. 232

### Effective Date

July 8, 1988

### Sunset Date

July 1, 2013

### Beneficiaries

International tourists who travel and make purchases in Louisiana and the merchants who participate in the program

### Administration

A commission was created to organize the program and appoint a refund agency to issue tax refunds to departing tourists.

### Estimated Fiscal Effect

During fiscal year 2014-2015, \$1,064,014 in sales tax refunds were issued under this program. We are unable to predict the future fiscal effect.

## 183. Sale of Gasoline, Gasohol, and Diesel

The Louisiana Constitution prohibits the taxation of fuel that is subject to the road-use excise tax. This excludes most fuel sales, as most gasoline, gasohol, and diesel will be subject to road use tax. Gasoline, not subject to road use excise tax, is exempt from taxation of sales tax under R.S. 47:301(D)(1)(a). Gasohol, not subject to road use excise tax, is exempt from taxation under R.S.47:305.28 for gasohol produced, fermented, and distilled in Louisiana. The fiscal effect of the constitutional exclusion is shown in this section. The purpose of this prohibition is to give a tax-break to consumers.

### Legal Citation

La. Const. art. VII, § 27

### Origin

Constitutional Amendment

### Effective Date

January 1, 1990

### Beneficiaries

Consumers of road use gasoline and gasohol

### Administration

The purpose of this prohibition is achieved in a fiscally effective manner.

Estimated Fiscal Effect	
FYE 6-16	FYE 6-17
\$366,549,000	\$373,880,000

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# Sales Tax

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#184

## { State Exemptions with Prohibitions on Taxation }

### **184. Purchases Made with Food Stamps and WIC Vouchers**

This exemption allows tax-free purchases of eligible food items if purchased with USDA food stamps or Women, Infants, and Children's (WIC) vouchers. The federal government issues food stamps and WIC vouchers to qualified participants to purchase eligible food items. States are not allowed to tax these purchases as a requirement for receiving federal funding for the food stamp and WIC programs. Repeal of this exemption would cost the state federal food stamp funding. The purpose of this exemption is to comply with the federal government's restrictions.

#### **Legal Citation**

R.S. 47:305.46

#### **Origin**

Acts 1986, No. 1028

#### **Effective Date**

October 1, 1987

#### **Beneficiaries**

Purchasers using food stamps and WIC vouchers

#### **Administration**

The purpose of this exemption is achieved in a fiscally effective manner.

#### **Estimated Fiscal Effect**

\$0; A constitutional amendment was passed on November 5, 2002, that fully exempted sales of food for preparation and consumption in the home effective July 1, 2003. Food items eligible to be purchased with food stamps or WIC vouchers would be exempted under the food exclusion.

### **185. Credit for Sales and Use Taxes Paid to other States on Property Imported into Louisiana**

This credit allows a person or company to reduce any use tax due by the equivalent sales/use tax lawfully paid to another qualified state. In order to qualify, the other state must allow a similar credit for Louisiana taxes and the tax charged must be similar in nature. The state of Louisiana has entered into agreements with other states to allow similar credits for Louisiana residents. The purpose of this provision is to reciprocate for the credit allowed by other states.

#### **Legal Citation**

R.S. 47:303(A)(3)(a)

#### **Origin**

Acts 1964, No. 171; amended Acts 2005, No. 394

#### **Effective Date**

July 29, 1964

#### **Beneficiaries**

Persons and companies importing property into this state

#### **Administration**

The purpose of this provision is achieved in a fiscally effective manner.

#### **Estimated Fiscal Effect**

The estimated fiscal effect of this prohibition on taxation is included in the Five-Year Revenue Loss chart in the row labeled other exemptions.

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# Sales Tax

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{ State Exemptions with Prohibitions on Taxation }

# 185

## 184. Purchases Made with Food Stamps and WIC Vouchers

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R.S. 47:305.46

### Origin

Acts 1986, No. 1028

### Effective Date

October 1, 1987

### Beneficiaries

Purchasers using food stamps and WIC vouchers

### Administration

The purpose of this exemption is achieved in a fiscally effective manner.

### Estimated Fiscal Effect

\$0; A constitutional amendment was passed on November 5, 2002, that fully exempted sales of food for preparation and consumption in the home effective July 1, 2003. Food items eligible to be purchased with food stamps or WIC vouchers would be exempted under the food exclusion.

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### Legal Citation

R.S. 47:303(A)(3)(a)

### Origin

Acts 1964, No. 171; amended Acts 2005, No. 394

### Effective Date

July 29, 1964

### Beneficiaries

Persons and companies importing property into this state

### Administration

The purpose of this provision is achieved in a fiscally effective manner.

### Estimated Fiscal Effect

The estimated fiscal effect of this prohibition on taxation is included in the Five-Year Revenue Loss chart in the row labeled other exemptions.